

UNITED STATES DISTRICT COURT
for the
EASTERN DISTRICT OF NEW YORK

FILED
IN CLERK'S OFFICE
U.S. DISTRICT COURT E.D.N.Y.
★ **JAN 27 2017** ★

LONG ISLAND OFFICE

HAROLD CHARYCH

Plaintiff,

v.

(1) ACCESSO SIRIUSWARE, INC.,
Unites States subsidiary of a United Kingdom entity,
formerly known as:
SIRIUSWARE SALESPPOINT SOLUTIONS, INC.

(2) ACCESSO TECHNOLOGY GROUP, PLC
United Kingdom parent entity of ACCESSO SIRIUSWARE, INC.

Defendants,

Civil Action No.

**VERIFIED
COMPLAINT**

CV - 17

468

SEYBERT, J.

BROWN, M. J.

Plaintiff, HAROLD CHARYCH, respectfully sets forth and alleges the following, upon
information and belief:

1. Plaintiff, who is licensed to do business in the State of New York, has acquired all
of the assets of Mountain Pass Systems, LLC including the intellectual property,
software, products, and accessories through an asset transfer executed on January
5, 2017.
2. Upon information and belief, ACCESSO SIRIUSWRE, INC. formerly known as
SIRIUSWARE SALESPPOINT SOLUTIONS, INC, is a US corporation licensed
to do business in the State of New Mexico with its principle place of business at
302 Camino de la Placita, Taos, New Mexico 87571 United States and is a
subsidiary of Defendant ACCESSO TECHNOLOGY GROUP, PLC.

3. Upon information and belief, ACCESSO TECHNOLOGY GROUP, PLC is a foreign corporation duly registered to do business in the United Kingdom with its principle place of business at Unit 5, The Pavilions Ruscombe Park, Twyford, Berkshire, RG10 9NN, United Kingdom. ACCESSO TECHNOLOGY GROUP, PLC purchased SIRIUSWARE SALESPOINT SOLUTIONS, INC. in December, 2013.

FACTUAL BACKGROUND

4. Upon information and belief, the US ski resort industry experiences theft of services in its method of selling and validating lift tickets. Most ski resorts sell lift tickets with validity dates printed on the ticket face. Many of the larger ski resorts that use resort management software, such as that provided by the Defendants, will also print a barcode on the face of the ticket. At the ski lifts there are a number of ticket checking employees that will verify if the patrons have valid tickets by looking at the tickets or using mobile computers to scan the barcodes printed on the tickets. This method is very inefficient and insecure resulting in an indeterminate number of patrons using the ski lifts without paying for lift tickets.
5. Upon information and belief, another way that ski resorts experience theft of service is by lift ticket transfer. A patron may buy a full day lift ticket but decide at lunch that he or she does not want to use the entire service and therefore he or she may give or sell the lift ticket to a third party, thus denying the ski resort of the revenue from the third party who would have purchased a ticket. Ticket transfer is illegal in most states.

6. To improve the validation process, ski lift access gates have been developed that allow a skier to ski through these gates and have their ticket validated by radio waves, similar to “Easy Pass” for auto tolls. This method is called Radio Frequency IDentification or, commonly, RFID. Two companies are currently dominant in making these RFID gates and RFID tickets for the ski industry – Axess North America, LLC and Skidata, AG. Both companies are headquartered in Austria. The access gates of Axess North America, LLC and Skidata, AG use a type of RFID called High Frequency (HF) that has a limited read range of 2 to 3 feet. Upon information and belief, these products do an inadequate job of detecting ticket transfers.
7. Plaintiff has developed RFID ski lift access gate products and RFID tickets using another type of RFID technology called Ultra High Frequency (UHF). UHF RFID was developed for the retail supply chain and has a read range of 15 to 20 feet.
8. Upon information and belief, UHF RFID, besides making ticket validation easier, has many advantages for the ski resorts, in particular for the resorts’ skier loyalty programs. Ski resorts believe that the loyalty program is a competitive advantage that keeps skiers and boarders coming back to their resort. As an example, with the longer range of UHF RFID, the ski resort can place antennas at the top of each lift that will read the ticket IDs of patrons getting off the lift. This will allow the resort to post the vertical feet skied during the day instantly on patrons’ social media. Another advantage for the ski resort is when resort photographers take ski photos of patrons. With the longer range of UHF RFID, the ticket IDs can also be read at the same time and distance that the photos are taken, thus allowing the

resort to post the ski photos on patrons' social media. Plaintiff's product is described in Exhibit A.

9. Upon information and belief, lift tickets using UHF RFID, such as those provided by the Plaintiff, are much less expensive than lift tickets using HF RFID. Because UHF RFID was developed for the retail supply chain, it is produced in much higher volume, creating a lower price. In addition, the amount of metal used to manufacture UHF RFID tickets is much less than for HF RFID ticket, thus reducing the manufacturing costs.
10. Another key aspect of the Plaintiff's products is the use of biometrics to detect ticket transfer. The Plaintiff holds a US patent, number 8,674,805, on the use of UHF RFID in a ski lift access gate and on the biometrics to detect ticket transfer. More detail on the biometrics and how it prevents ticket transfer is in Exhibit A.
11. The Plaintiff has been promoting the ski lift access gate products to the US ski resort industry.
12. Gore Mountain Ski Resort, located at 793 Peaceful Valley Rd, North Creek, NY 12853, was interested in Plaintiff's products. Gore Mountain is part of a three ski resort conglomerate that includes Whiteface Mountain located near Lake Placid in Wilmington, NY and Belleayre Mountain located at 181 Galli Curci Rd, Highmount, NY. Upon information and belief, these three resorts are considered the premier mountain resorts in New York State. A product demo at Gore Mountain would have allowed the general managers of Whiteface Mountain and Belleayre Mountain to see Plaintiff's products in action and experience the benefits that Plaintiff's products provide, both to the resort and to the resort

customers. The product demo at Gore Mountain would have been a key factor in order for Plaintiff to commence sales to Gore Mountain, Whiteface Mountain, Belleayre Mountain and to other ski resorts in New York State and to ski resorts across the United States.

13. Upon information and belief, other ski resort owners are also interested in Plaintiff's products. These resorts have the potential of buying Plaintiff's products in large numbers.
14. Gore Mountain uses resort management software sold by the Defendants as does Whiteface Mountain and Belleayre Mountain.
15. Upon information and belief, Defendants are a leading ski resort software supplier and have their software in use by a major portion of larger ski resorts. For ski resorts that use Defendants' software, all ski resort equipment that validate lift tickets, such as mobile computers or ski lift access gates, must interface with Defendants' software in order to provide useful services to the ski resort. The Plaintiff's products must also interface to the Defendants' software.
16. On Friday, October 21, 2016. The Plaintiff met with Mike Costantino, Gore Mountain's Information Technology Manager, Erin Fuller, an employee of the Gore Mountain IT department, and the person in charge of ticket sales to present Plaintiff's products. Exhibit B is a copy of the Power Point presentation presented to the Gore Mountain staff at the meeting.
17. On Monday, October 24, 2016 the Plaintiff received an email from Mike Costantino expressing his enthusiasm for Plaintiff's products and proposing that

the products be used on Gore Mountain's Nordic track. The email received from Mike Costantino is Exhibit C.

18. Through the end of October and beginning of November, 2016 the Plaintiff exchanged emails with Mike Costantino discussing various ways the Plaintiff's equipment could interface with the Defendants' software through printer drivers and UHF RFID labels. These emails are in Exhibit D.
19. On November 3, 2016 the Plaintiff sent an email to Mike Costantino stating that it would be best to work with Defendants' software directly and do a proper interface. Upon information and belief, this interface is straightforward with little technical difficulty. The Plaintiff is an electrical engineer by background and is very familiar with this type of interface. This email is contained in Exhibit E.
20. On November 10, 2016 the Plaintiff received an email from Mike Costantino breaking off contact with Plaintiff's company because he (Mike Costantino) was not in a position to "ruffle the feathers with Siriusware as they are critical to the smooth operation of ORDA's many venue ticketing and sales systems." This email is contained in Exhibit F.

COUNT 1

RESTRAINT OF TRADE

21. Without a proper interface to the Defendants' software, the Plaintiff cannot sell products to the ski industry. Upon information and belief, the Defendants are well aware of this fact and are using fear and intimidation to keep ski resorts from considering using the Plaintiff's products.

22. Upon information and belief, the Defendants are in collusion with Axess North America, LLC, a competitor of the Plaintiff's products, and is promoting Axess products to the detriment of Plaintiff's products as is indicated in Exhibit F where Mike Costantino explicitly states that Defendants "Siriusware does not support 3rd party scanning/gate solutions and quickly offered up their Access (Axess North America, LLC) product." See email in Exhibit F.
23. An interface to Defendants' software is critical in order for Plaintiff to have a functional system for any ski resort that uses Defendants' software.
24. Defendants' control of the ski resort industry through its software and its collusion with Axess North America, LLC to restrain Plaintiff from selling a competitive product is monopolistic, anticompetitive, and a restraint of trade.
25. Upon information and belief, Defendants have damaged Plaintiff's attempt to sell its products by keeping the software interface from Plaintiff and by intimidating Plaintiff's potential customers - Gore Mountain, Whiteface Mountain, and Belleayer in particular, but in general any ski resort that uses the Defendants' software.
26. Upon information and belief, the Defendants' software is used in a majority of the larger ski resorts in the United States. Many major ski resort owners that control multiple resorts have a portion of their resorts that use the Defendants' software. These customers will not buy products that cannot be used at all of their resorts.
27. Upon information and belief, without an interface to the Defendants' software, the Plaintiff can't provide product demonstration and can't sell his products, making it financially impossible for the Plaintiff to stay in business.

28. As a result, the Defendants violated the Sherman Antitrust Act 15 U.S.C.

Paragraph 1 to 7 and Clayton Antitrust Act 15 U.S.C. paragraphs 12 to 27 and paragraphs 52 to 53.

29. As a result, the Plaintiff can't stay in business and has been damaged in the sum of \$18,412,219.

COUNT 2

TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS

30. Upon information and belief, Exhibit F clearly shows that the Gore Mountain IT Manager (Mike Costantino) did not want to "ruffle the feathers with Siriusware as they are critical to the smooth operation of ORDA's many venue ticketing and sales systems." It is clear in this email that the Defendants knew of the power they have over Gore Mountain and forced them to stop working with Plaintiff's products.

31. Upon information and belief, when the Defendants heard that Gore Mountain was interested in testing Plaintiff's products, the Defendants interfered with this relationship.

32. After the Plaintiff received the email in Exhibit F where Gore Mountain was breaking off contact with the Plaintiff, the Plaintiff sent an email to Mike Costantino imploring him to just set up a demo of the Plaintiff's products without an interface to Defendants' software. This would have allowed Gore Mountain to experience other features of the Plaintiff's product, such as the biometric detection of ticket transfer. Upon information and belief, the Defendants have so

intimidated Gore Mountain that Mike Costantino did not respond. This email from the Plaintiff to Mike Costantino is contained in Exhibit G.

33. Upon information and belief, any potential sales to Gore Mountain and consequently to Whiteface Mountain and Belleayre Mountain that the Plaintiff wanted to make were derailed by the illegal actions of the Defendants
34. Upon information and belief, as a result of Defendants being aware of Plaintiff approaching Gore Mountain, they interfered with Plaintiff's ability to continue his approach to do business, thus committing tortious interference with the Plaintiff.
35. As a result of the Defendants' tortious interference with business relations, the Plaintiff was damaged in the sum of \$18,412,215.

COUNT 3

SHERMAN ANTI-TRUST ACT

36. Upon information and belief, the Defendants' action in preventing the Plaintiff from interfacing to Defendants' software and refusal to deal with the Plaintiff in providing the interface is a Per Se violation of the Sherman Antitrust Act 15 U.S.C. paragraph 1 to 7.
37. Upon information and belief, the Defendants' action prevents the sale of Plaintiff's products to ski resorts. Ski resorts will continue to experience theft of service by patrons failing to purchase lift tickets and by lift ticket transfers. Consumers will be harmed by ski resorts raising lift ticket prices to compensate for these continued losses. For resorts that have HF RFID gates installed,

consumers will be harmed by ski resorts selling the higher priced HF RFID tickets instead of the lower priced UHF RFID tickets.

38. Upon information and belief, Exhibit H shows the business plan that Plaintiff was expecting from product sales. The business plan to ski resort customers would have generated \$18,412,219 in after tax profit within six years.
39. Without the Defendants providing the proper software interfaces, the Plaintiff cannot make any sales to the ski resort industry and will lose the full amount of \$18,412,219 by the egregious actions of the Defendants.
40. Plaintiff is requesting damages from Defendants for violating the Sherman Antitrust Act 15 U.S.C. paragraphs 1 to 7 and Clayton Antitrust Act 15 U.S.C. paragraphs 12 to 27 and 52 to 53 with its monopolistic business practices that restrain trade in the ski resort industry and prevent competition. As a result of the Defendants' Per Se violation of the Sherman Antitrust Act 15 U.S.C. paragraphs 1 to 7 and Clayton Antitrust Act 15 U.S.C. paragraphs 12 to 27 and 52 to 53, the Plaintiff was damaged in the sum of \$18,412,215.
41. Upon information and belief, the award of treble damages is authorized under the Sherman Antitrust Act in order to promote the interest of safeguarding a free and competitive society and to deter violators and others from future illegal acts. The Plaintiff is enjoining the court to provide \$55,236,657 as compensation for the business that Plaintiff is prevented from competing for in a fair and equitable manner.

WHEREFORE, Plaintiff, HAROLD CHARYCH, demands judgment against Defendants, ACCESSO SIRIUSWARE, INC. and ACCESSO TECHNOLOGY GROUP, PLC as follows: (1) in an amount not less than \$18,412,219 as actual damages for Restraint of Trade and (2) for Tortious Interference with Business Relations and for (3) violation of the Sherman Antitrust Act with treble damages in the sum of \$55,236,657, together with the costs, disbursements, and any other fees associated with this action.

Dated : Suffolk, New York
January 19, 2017

By 

HAROLD CHARYCH, Pro Se

2 The Overlook
Poquott, NY 11733 United States
1-631-371-9029

UNITED STATES DISTRICT COURT
for the
EASTERN DISTRICT OF NEW YORK

HAROLD CHARYCH

Plaintiff,

v.

Civil Action No.

VERIFICATION

(1) ACCESSO SIRIUSWARE, INC.,

Unites States subsidiary of a United Kingdom entity,
formerly known as:

SIRIUSWARE SALESPPOINT SOLUTIONS, INC.

(2) ACCESSO TECHNOLOGY GROUP, PLC

United Kingdom parent entity of ACCESSO SIRIUSWARE, INC.

Defendants,

I, Harold Charych the Plaintiff, having read the annexed Summons and Verified Complaint and know the contents thereof are true to my knowledge, except as to those matters therein which I stated to be alleged upon information and belief, and as to those matters I believe them to be true.

Dated: Suffolk County, NY

January 19, 2017

Signed,



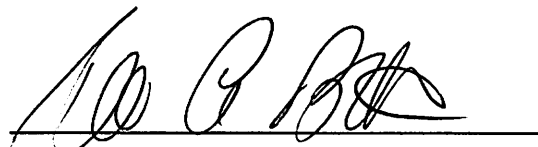
Harold Charych, Plaintiff

STATE OF NEW YORK, (COUNTY OF SUFFOLK)

On this date of January 19 in the year of 2017

Harold Charych personally appeared before me and executed this verification.

TARA A. BRAATEN
No. 01BR6314042
Notary Public, State of New York
Qualified in Suffolk County
My Commission Expires 11/03/2018



Notary Public

TARA A. BRAATEN
No. 01BR6314042
Notary Public, State of New York
Qualified in Suffolk County
My Commission Expires 11/03/2018

TARA A. BRAATEN
No. 018631462
Notary Public
State of New York
My Commission Expires 11/03/2018

TARA A. BRAATEN
No. 018631462
Notary Public, State of New York
Qualified in Suffolk County
My Commission Expires 11/03/2018

Exhibit A

Mountain Pass FreewayTM

**Long Range (UHF) RFID Ski Lift Access “Gateless” System
Validates all Lift Tickets and Detects Ticket Transfers**



Product Features:

- Automatic lift ticket validation using (UHF) RFID technology
- Prevents all known lift ticket abuses
- Patented BodyBiometricsTM automatically assign ticket to the skier who first used it to detect ticket transfer
- Fully compatible with resort management systems
- Interfaces to resort management system similar to a hand held bar code scanning device
- UHF RFID inlay only adds 15 cents to paper ticket price
- Payback period typically less than one season
- Ticket read range of 15 to 20 feet allows applications such as ski photo customer ID, vertical feet tracking, and trail usage
- Provides unlimited lift ticket pricing options such as payment per ride, time durations, or terrain parks
- Green indicator when ticket is valid and biometrics match
- Yellow indicator for biometric mismatch and red indicator for invalid ticket visible on rear facing display with alerts sent to customer service
- Customer service personnel can view all portal events on any web connected device, applying best judgment to each incident
- Ski-like base and a roof that lowers allow for flexible deployment, easy movement, and easy storage
- Wi-Fi communications between units, automatic power up configuration, and power daisy chain to nearby units

Enhances the guest experience

Freeway™ livens up entrance to the lift. Its fast throughput and bright green lights after validation create a feeling of excitement ahead.

Your customers no longer have to deal with ticket checkers rummaging around their body space, trying to find the ticket for scanning. Our RFID ticket can be conveniently held in a pocket as your customers glide through our "gateless" entry.

Validates all tickets and detects unauthorized ticket transfers

Using patented BodyBiometrics™, Freeway™ takes video of the skier entering. Through sophisticated image recognition algorithms, major body joints are detected and the distances between the joints are calculated. These physical attributes are stored in our database. The next time the ticket ID is detected, the biometrics are compared to the skier within Freeway™. For a near match, green lights illuminate. For a mismatch, yellow lights indicate a possible ticket transfer. These biometrics are non intrusive, undetectable, and completely automatic. Our research indicates ticket sales will increase by about 3%, on average.

"Gateless" operation

Freeway™ does not have a gate to prevent lift access but the red, yellow and green exit lights and indicators still continue to be displayed on the rear facing monitor. Multiple images are taken of the skier going through and biometrics are derived from the images. If a yellow indicator is triggered, a photo of the ticket holder and ticket owner will be visible on the display and on a customer service tablet. For a season pass, the photo taken during purchase will also be visible. The customer service agent can then recheck the skier's ticket that triggered the yellow alert in the corral. Bottlenecks will be prevented and the resort staff will make the determination of how to handle each ticket issue.

The ultimate value in lift access

Freeway™ validates all tickets, detects ticket transfers, and enhances the guest experience all at a price that is less than any "gate" type access system currently on the market. With an average 3% increase in ticket sales, most ski resorts will see a payback in less than one season.

Value priced long range RFID lift tickets

Freeway™ uses UHF RFID technology that was developed for the retail supply chain, adding only 15 cents to the cost of the lift ticket. Disposable daily tickets will still be

cost effective. The ticket read range of 15 to 20 feet allows the use of other ski resort RFID ticket applications such as vertical feet tracking, skier ID for ski photos, and trail usage.

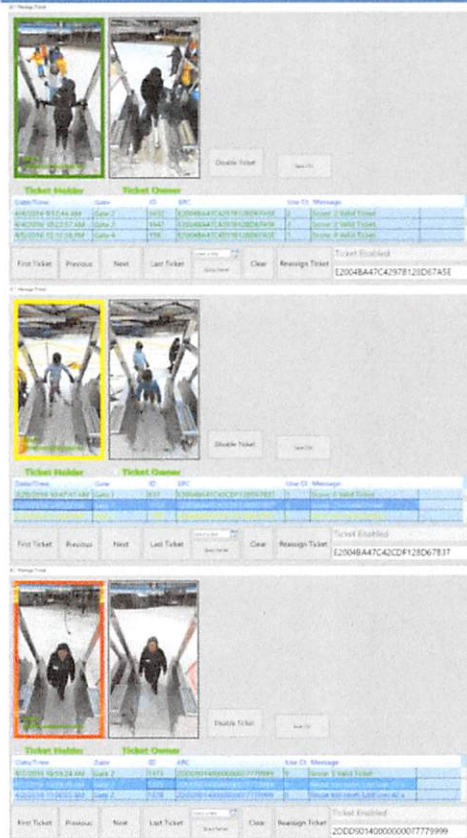
Compatible with RMS and POS systems that print bar coded tickets

To implement Freeway™ at a resort the blank ticket stock is replaced with stock that looks and feels the same but has RFID inlays embedded between the ticket layers. Conventional POS printers will still be able to print the bar code plus all other human readable information on the ticket. To any RMS, Freeway™ behaves like a hand held bar code scanner, sending the bar code data to the RMS and expecting response messages from the RMS. The RMS confirms to our system that the ticket is still valid from a date perspective and our system confirms the biometrics.

Flexible Deployment

With the ramps flipped up at the base, the push/pull handles allow Freeway™ to be easily moved on snow. When the ramps are down, they act like ski brakes keeping the unit in place. With 110v AC power and a Wi-Fi connection, operation begins. Power is daisy chained for adjacent units.

Transaction Logging & Database Entries



All portal transactions are logged to a database.

A green border indicates a valid ticket and biometrics that match the ticket owner.

Yellow border indicates a valid ticket but biometrics don't match the ticket owner, possible ticket transfer.

Red border indicates a ticket that is not valid.

Exhibit B

Mountain Pass™ The “Easy Pass” of Skiing



Mountain Pass Systems, LLC

October 21, 2016

Confidential & Proprietary Information

Ticket Checking via Visual Inspection or Handheld Bar Code Scanning

- Done at 85% of resorts
- Ticket fraud estimates
 - Ski industry: 3 to 8% loss
 - Our survey estimate: 3 to 5%
- Human involvement
 - Tickets bypassed at peak times
 - Checkers easy to distract
 - Uncomfortable conditions
 - Not there all day
 - Sweetheart ticket checker
- #1 fraud: season pass transfer cited 62% of the time
- Daily ticket transfer: **completely unknown**



UHF RFID for Lift Tickets

- UHF (915 MHz) technology developed for the retail supply chain
- Low cost tags with long range
- RFID inlay adds 15 cents to ticket price
- Read range 15 – 20 ft
- Allows disposable daily ticket
- Patented process to differentiate ticket in gate instead of around the gate

UHF RFID Tickets at Vail Resorts

- Vail Resorts uses UHF tickets across all 12 Vail ski areas
 - Epic Mix vertical feet tracking for social media
 - Ski photography with subject identification
 - Lift line length estimates
- Hand held UHF reader for ticket scanning
- Human element still in process with same problems



Patented BodyBiometrics™

Ticket Transfer Detection

- Typical biometrics not usable with skiers: facial recognition, iris scanning, finger/hand print
- Video image taken of skier moving through gate
- Upper body joints identified
 - Height to shoulder joints
 - Shoulder width, joint to joint
 - R, L upper arm, lower arm
- First time RFID code detected, biometrics stored
- Subsequent time RFID code detected, biometrics compared
- Minor variations allowed, major variations flagged

Compatibility with Siriusware

- Standard tickets replaced with tickets with UHF RFID inlays
- Existing printers continue to be used
- After ticket is printed it is dipped into LINK box
- Link box encodes the ticket bar code data into RFID data field
- Bar code data is read from RFID data field and sent to Siriusware for ticket time validation
- To Siriusware our system is a bar code scanner
- Biometrics stored and confirmed in our DB

Alternate Compatibility Method with RFID Encoding Printers



- Change standard printer to UHF RFID encoding printers
- During print process, encode the bar code data within the RFID data field
- MP detects the RFID data and sends bar code data to Siriusware for verification
- We are Zebra printer partners

Gate Transactions

- All gate transactions stored in cloud
- Alerts sent to web enabled tablet
- Alerts includes photos of ticket owner (first use) and ticket holder (last use)
- Green boarder: ticket valid biometrics match
- Yellow boarder: ticket valid biometrics don't match
- Red boarder: ticket not valid
- Photo evidence aids in customer discussion
- Make ticket holder buy full day ticket at lift, Impose fine for season pass holder

Green boarder – Biometrics match, ticket valid

Manage Ticket

Ticket Holder		Ticket Owner			
Date/Time	Gate	ID	EPC	Use Ct	Message
4/4/2016 9:37:44 AM	Gate 2	1632	E2004BA47C4297B128D67A5E	2	Score: 2 Valid Ticket
4/4/2016 10:22:57 AM	Gate 2	1647	E2004BA47C4297B128D67A5E	3	Score: 2 Valid Ticket
4/5/2016 12:31:58 PM	Gate 4	159	E2004BA47C4297B128D67A5E	1	Score: 0 Valid Ticket


Select a date

Ticket Enabled
 E2004BA47C4297B128D67A5E

Confidential & Proprietary Information

Yellow boarder – Biometrics mismatch, ticket valid

Manage Ticket



Disable Ticket

Save CSV

Ticket Holder		Ticket Owner			
Date/Time	Gate	ID	EPC	Use Ct	Message
3/29/2016 10:47:47 AM	Gate 1	837	E2004BA47C42CDF128D67B37	1	Score: 0 Valid Ticket
3/29/2016 2:47:20 PM	Gate 1	1153	E2004BA47C42CDF128D67B37	2	Score: 23 Invalid Ticket
3/29/2016 3:14:09 PM	Gate 1	1180	E2004BA47C42CDF128D67B37	3	Score: 24 Invalid Ticket

First Ticket

Previous

Next

Last Ticket

Select a date

15

Query Server

Clear

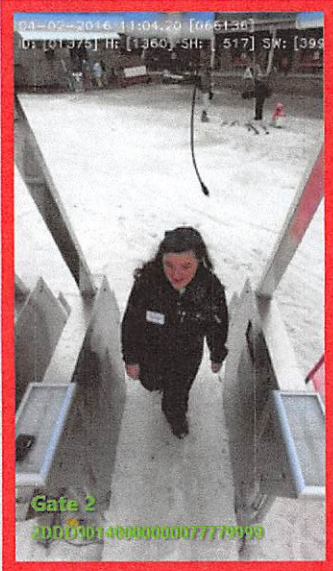

Reassign Ticket

Ticket Enabled

E2004BA47C42CDF128D67B37

Red Boarder – Invalid Ticket or Reuse Too Soon

Manage Ticket

Ticket Holder		Ticket Owner			
Date/Time	Gate	ID	EPC	Use Ct	Message
4/2/2016 10:59:24 AM	Gate 2	1373	2DDD90140000000077779999	9	Score: 5 Valid Ticket
4/2/2016 10:59:39 AM	Gate 2	1375	2DDD90140000000077779999	0	Reuse too soon, Last use: 17 s
4/2/2016 11:00:05 AM	Gate 2	1378	2DDD90140000000077779999	0	Reuse too soon, Last use: 42 s

Select a date 15

Ticket Enabled
 2DDD90140000000077779999

Confidential & Proprietary Information

Other Features



- Easily movable on its own runners with front and back handles
- Easy installation, AC power & Wifi
- Daisy chain AC connection
- Dig trench for runners, unfold ramps
- Skiable mat does not require snow
- Entry handles for customer easy entry
- Entry light control traffic
- Exit lights provide status
- Roof lowers for easy storage
- Two versions: Entryway with gate arms and gateless Freeway

Requirements for Trial

- AC connection to 1st unit
- Secure, reliable wifi
- All transactions stored in cloud
- Gates synchronize databases every 5 minutes from cloud
 - Internal database for loss of network
- RFID stickers attach to daily tickets, season passes, and/or employee badges
- No Siriusware interaction required

Sunday River Deployment

<https://www.youtube.com/watch?v=HzbjReBv-SA>

Thank You!

Confidential & Proprietary Information

Exhibit C

Hal Charych

From: Mike Costantino [mcostantino@goremountain.com]
Sent: Monday, October 24, 2016 9:42 AM
To: Hal@mountain-pass-systems.com
Subject: Gore Mountain Ski Area

Good Morning Hal,

I hope this e-mail finds you well. I wanted to thank you for stopping by Friday and showing us the Mountain Pass RFID system. It is nice to see an alternative to Siriusware's RFID system.

I had a chat this morning with our General Manager, Mike Pratt, and he showed some real interest. I also mentioned the possibilities of trying a gate or two out for the season. Almost immediately he had an alternative idea.

Here's a little background info first...

We have almost completed a new sanctioned Nordic Ski Center @ the Ski Bowl (our connected mountain and base area near the downtown North Creek). Last year we hosted a multitude of High School & College events there due to the lack of snow elsewhere. It was very well received and we decided this year to really get into it with actual trails, lighting and snowmaking, all in an highly visible area. There are many scheduled events already and more to be expected for this upcoming season.

With all that said, we don't really have a solid plan in place for validating the tickets for these events, scheduled trainings and the general public use.

And then you showed up..

Would you be willing to Demo a gate or two for the season for this?

But along with that, prove that the system will work with Siriusware. Perhaps with one 'Dip Device'.

We only have one salespoint down there. It's a brand new quad-core HP RP2 POS running Win7 Enterprise. We could install whatever software you would need on that and arrange our firewalls to allow you connectivity to whatever you need.

I would also arrange it so that the Nordic Tickets will only be sold there. Even if someone were to use their Day Alpine pass to do Nordic @ night, they would have to exchange their ticket.

There's plenty of bandwidth, WiFi all over the place, and electricity would not be an issue.

I even have a siriusware scanning license to apply to the gate, in lieu of having to use a handheld.

I think this would be a great proving ground for your system and I assume it would be very helpful in selling the system to the powers-that-be in Lake Placid that govern the Olympic Regional Development Authority and all of its various venues.

Please let me know your thoughts on this idea. I think your product has great potential and would like the possibility of working with you on this.

Sincerely,

Michael Costantino

Gore Mountain Ski Area
IT Dept. Manager
793 Peaceful Valley Road

Exhibit D

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Wednesday, October 26, 2016 6:03 PM
To: 'Mike Costantino'
Subject: RE: Gore Mountain Ski Area

Hi Mike,

Give me a call when you get a chance. I wanted to talk to you about the scanning license and if Siriusware provides a printer driver for the Zebra ZD500 printer that we can loan to you.

Thanks,

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Monday, October 24, 2016 9:42 AM
To: Hal@mountain-pass-systems.com
Subject: Gore Mountain Ski Area

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With all that said, we don't really have a solid plan in place for validating the tickets for these events, scheduled trainings and the general public use.

And then you showed up..

Would you be willing to Demo a gate or two for the season for this?
But along with that, prove that the system will work with Siriusware. Perhaps with one 'Dip Device'.

We only have one salespoint down there. It's a brand new quad-core HP RP2 POS running Win7 Enterprise. We could install whatever software you would need on that and arrange our firewalls to allow you connectivity to whatever you need.

I would also arrange it so that the Nordic Tickets will only be sold there. Even if someone were to use their Day Alpine pass to do Nordic @ night, they would have to exchange their ticket.

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Monday, October 31, 2016 4:05 PM
To: 'Mike Costantino'
Subject: RE: Gore Mountain Ski Area

Mike,

Do you want me to check if tickets can be purchased with RFID inlays or do you have enough stock for the season? You can also apply the stickers and try to print on them. I think it might work and is worth trying.

Anything on the printer driver?

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Monday, October 24, 2016 9:42 AM
To: Hal@mountain-pass-systems.com
Subject: Gore Mountain Ski Area

Good Morning Hal,

I hope this e-mail finds you well. I wanted to thank you for stopping by Friday and showing us the Mountain Pass RFID system. It is nice to see an alternative to Siriusware's RFID system.

I had a chat this morning with our General Manager, Mike Pratt, and he showed some real interest. I also mentioned the possibilities of trying a gate or two out for the season. Almost immediately he had an alternative idea.

Here's a little background info first...

We have almost completed a new sanctioned Nordic Ski Center @ the Ski Bowl (our connected mountain and base area near the downtown North Creek). Last year we hosted a multitude of High School & College events there due to the lack of snow elsewhere. It was very well received and we decided this year to really get into it with actual trails, lighting and snowmaking, all in an highly visible area. There are many scheduled events already and more to be expected for this upcoming season.

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I would also arrange it so that the Nordic Tickets will only be sold there. Even if someone were to use their Day Alpine pass to do Nordic @ night, they would have to exchange their ticket.

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Tuesday, November 1, 2016 9:21 AM
To: 'Mike Costantino'
Cc: 'Erin R. Fuller'
Subject: RE: Gore Mountain Ski Area

Mike,

For now, place a sticker on the print area of the ticket and try to print your normal text. I think it will work and is worth a try. The Zebra driver is more complicated but should also be pursued. The driver option is automatic in that the ticket comes out ready for use but may be something for later in the season.

Thanks,

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Tuesday, November 1, 2016 9:00 AM
To: Hal@mountain-pass-systems.com
Cc: Erin R. Fuller
Subject: Gore Mountain Ski Area

Good morning Hal,

I have done a little research about a driver for the ZD500. Siriusware has many Zebra drivers listed, but not that particular one. Erin will be calling them this morning to try and find out more.

After a chat with Mike Pratt, he's hoping for upwards of 10,000 tickets to be sold for Nordic. But with this being our first years with it, we're not entirely sure what to expect.

How would the sticker plan work? Would that still be using the ZD500? Just curious.

Attached is the Scanman software for the MC9190 that we are using.

Thanks,

Mike C

From: Hal Charych [<mailto:hal@mountain-pass-systems.com>]
Sent: Monday, October 31, 2016 4:05 PM
To: Mike Costantino <mcostantino@goremountain.com>
Subject: RE: Gore Mountain Ski Area

Mike,

333324

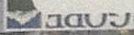
ATTENTION: Before affixing
ticket or allowing ticket to be
affixed to your person, read and
understand the notice on the



418339C

GORE TEST 1

NOV



Tear off and save separately from your ticket.
Receipt does not guarantee replacement.

333323

41B63GCMYS



MCOSTA GMP21 11/0 / 2016
13338036000 GORE TEST 11/1 TICKET

0.00

11/01/2016

MCOSTA
GMP21

333323



ATTENTION: Before affixing
ticket or allowing ticket to be
affixed to your person, read and
understand the notice on the
reverse and the "Warning to Skiers"
posted where tickets are purchased.



NOV 1 16

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Tuesday, November 1, 2016 9:54 AM
To: 'Mike Costantino'
Subject: RE: Gore Mountain Ski Area

Mike,

You are right. These stickers are not thermal transfer stickers. Should have asked you about the type of printer that you have. Let me do some research and I will get back to you.

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Tuesday, November 1, 2016 9:35 AM
To: Hal Charych
Cc: Erin R. Fuller
Subject: RE: Gore Mountain Ski Area

Hal,

I did as you instructed but the stickers did not seem to be heat transferrable as our printers are.

Mike C

From: Hal Charych [<mailto:hal@mountain-pass-systems.com>]
Sent: Tuesday, November 01, 2016 9:21 AM
To: Mike Costantino <mcostantino@goremountain.com>
Cc: Erin R. Fuller <fullere@goremountain.com>
Subject: RE: Gore Mountain Ski Area

Mike,

For now, place a sticker on the print area of the ticket and try to print your normal text. I think it will work and is worth a try. The Zebra driver is more complicated but should also be pursued. The driver option is automatic in that the ticket comes out ready for use but may be something for later in the season.

Thanks,

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Tuesday, November 1, 2016 9:00 AM
To: Hal@mountain-pass-systems.com

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Wednesday, November 2, 2016 11:56 AM
To: 'Mike Costantino'
Cc: 'Erin R. Fuller'
Subject: RE: Gore Mountain Ski Area

Mike,

Please provide a list of the Zebra printer drivers the Siriusware has. We might be able to get a demo of that printer that operates in thermal transfer mode. This would allow you to print on the stickers.

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Tuesday, November 1, 2016 9:55 AM
To: Hal Charych
Cc: Erin R. Fuller
Subject: RE: Gore Mountain Ski Area

Sounds good

From: Hal Charych [<mailto:hal@mountain-pass-systems.com>]
Sent: Tuesday, November 01, 2016 9:54 AM
To: Mike Costantino <mcostantino@goremountain.com>
Subject: RE: Gore Mountain Ski Area

Mike,

You are right. These stickers are not thermal transfer stickers. Should have asked you about the type of printer that you have. Let me do some research and I will get back to you.

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [<mailto:mcostantino@goremountain.com>]
Sent: Tuesday, November 1, 2016 9:35 AM
To: Hal Charych
Cc: Erin R. Fuller
Subject: RE: Gore Mountain Ski Area

Hal,

I did as you instructed but the stickers did not seem to be heat transferrable as our printers are.

Exhibit E

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Thursday, November 3, 2016 8:33 AM
To: 'Mike Costantino'
Cc: 'Erin R. Fuller'
Subject: RE: Gore Mountain Ski Area

Hi Mike,

In reviewing the project with my team, we feel it might be best if we can work with Siriusware to provide the proper interfaces. Our team believes that it would be relatively easy for Sirusware to integrate our system to their software. There are two things that would need to be done.

1. The Scanman software currently runs on the MC9190 under Windows Mobile. Siriusware should port it to Windows 10 so it will run on our platform. My VP of engineering and I worked at Symbol Technologies for close to 15 years in the scanner and RFID divisions so we know the port would be a relatively easy.
2. In the compatible hardware list, Zebra printers are not included. If Siriusware would add the Zebra ZD500 with the RFID encoder, that would allow the embedding of the bar code data printed on the ticket into the RFID data field. The ZD500 that we would loan you is a thermal transfer printer so it will print on the RFID labels.

I would like to participate in the meeting if you think it will help explain our system better. When were you thinking of having the meeting?

Best regards,

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [mailto:mcostantino@goremountain.com]
Sent: Wednesday, November 2, 2016 12:20 PM
To: Hal Charych
Cc: Erin R. Fuller
Subject: RE: Gore Mountain Ski Area

Hi Hal,

I've attached their latest compatible hardware list. It was mentioned to me that they have sold Nordic Season Passes to some schools. And would like these to work with the system, not exchanging them for tickets. I don't know why this wasn't brought up sooner, but it has been done already. How could this be dealt with? Perhaps a 'dip'box and eliminating the Zebra printer? We could have the salesperson apply stickers... whatever you think may be best.

It was also brought up that I generate a memo of sorts explaining the system and how it would incorporate with what we have. There are some doubts about that. I was thinking of hosting a quick meeting @ the Ski Bowl with possibly a few interested people from other venues, our GM and a couple others. Would this be something you would be interested in?

Thanks,

Mike C

Exhibit F

Hal Charych

From: Mike Costantino [mcostantino@goremountain.com]
Sent: Thursday, November 10, 2016 10:56 AM
To: Hal Charych
Cc: Erin R. Fuller
Subject: RE: Gore Mountain Ski Area

Good Morning Hal,

I apologize for the delay in getting back to you. It took some time to get input from a handful of people on this. I think you have a very good product with a lot of potential, but unfortunately we won't be able to entertain a demo this season. Mostly because I am not in a position to 'ruffle feathers' with Siriusware as they are critical to the smooth operation of ORDA's many venues ticketing and sales systems. Upon inquiring about the Zebra drivers, we were immediately informed that Siriusware does not support 3rd party scanning/gate solutions and quickly offered up their Access products. That's not to say they wouldn't do it, but a request like that would not be cheap and would have to come from the powers-that-be in Lake Placid.

Please keep in touch with any new developments to your system, perhaps we can try again another time.

Thank you for your time and considering us to demo your system.

Sincerely,

Michael Costantino

Gore Mountain Ski Area
793 Peaceful Valley Road
North Creek, NY 12853
O: 518-251-4849
F: 518-251-5171
C: 518-524-5499

From: Hal Charych [mailto:hal@mountain-pass-systems.com]
Sent: Thursday, November 03, 2016 8:33 AM
To: Mike Costantino <mcostantino@goremountain.com>
Cc: Erin R. Fuller <fullere@goremountain.com>
Subject: RE: Gore Mountain Ski Area

Hi Mike,

In reviewing the project with my team, we feel it might be best if we can work with Siriusware to provide the proper interfaces. Our team believes that it would be relatively easy for Sirusware to integrate our system to their software. There are two things that would need to be done.

1. The Scanman software currently runs on the MC9190 under Windows Mobile. Siriusware should port it to Windows 10 so it will run on our platform. My VP of engineering and I worked at Symbol Technologies for close to 15 years in the scanner and RFID divisions so we know the port would be a relatively easy.

Exhibit G

Hal Charych

From: Hal Charych [hal@mountain-pass-systems.com]
Sent: Thursday, November 10, 2016 6:09 PM
To: 'Mike Costantino'
Subject: RE: Gore Mountain Ski Area

Hi Mike,

I realize that it was probably a mistake getting Siriusware involved at this point. They are not very cooperative and very expensive.

It would be great if we can go back to the original plan of having one or two units on one of your lifts, with the lift attendant attaching RFID stickers to skiers going through. This will not do Siriusware ticket checking but will show you the biometrics of all skiers going through. You will be amazed by the amount of data that will be visible to you. This will show you and the powers that be the capability of our system. The entire test will be at no cost to you. If in the future Gore does decide to go with RFID, you will have experience with a system and RFID technology currently in use by Vail Resorts. I think this experience will be of great benefit to your mountain.

Best regards,

Hal Charych, CEO
Mountain Pass Systems, LLC
Phone: 631-689-6988
Mobile: 631-371-9029
Skype: hal.charych1

From: Mike Costantino [mailto:mcostantino@goremountain.com]
Sent: Thursday, November 10, 2016 10:56 AM
To: Hal Charych
Cc: Erin R. Fuller
Subject: RE: Gore Mountain Ski Area

Good Morning Hal,

I apologize for the delay in getting back to you. It took some time to get input from a handful of people on this. I think you have a very good product with a lot of potential, but unfortunately we won't be able to entertain a demo this season. Mostly because I am not in a position to 'ruffle feathers' with Siriusware as they are critical to the smooth operation of ORDA's many venues ticketing and sales systems. Upon inquiring about the Zebra drivers, we were immediately informed that Siriusware does not support 3rd party scanning/gate solutions and quickly offered up their Access products. That's not to say they wouldn't do it, but a request like that would not be cheap and would have to come from the powers-that-be in Lake Placid.

Please keep in touch with any new developments to your system, perhaps we can try again another time.

Thank you for your time and considering us to demo your system.

Sincerely,

Michael Costantino

Gore Mountain Ski Area
793 Peaceful Valley Road

EXHIBIT H

Mountain Pass™ ROI Calculation

ASP	10995	COGS	4950					
Average MPs per ski area	36				3%	price & cost decline starting in 4th year		
Calendar year	2016	2017	2018	2019	2020	2021	2022	Totals
Ski areas sold	0	1	4	8	19	26	32	90
MP units sold	0	12	144	288	684	936	1152	3216
ASP	\$10,995	\$10,995	\$10,995	\$10,995	\$10,665	\$10,665	\$10,665	
COGS	\$4,950	\$4,950	\$4,950	\$4,950	\$4,802	\$4,802	\$4,802	
GM - unit	\$6,045	\$6,045	\$6,045	\$6,045	\$5,864	\$5,864	\$5,864	
revenue - MP units	\$0	\$131,940	\$1,583,280	\$3,166,560	\$7,294,963	\$9,982,580	\$12,286,253	\$34,445,576
MP unit GM		\$72,540	\$870,480	\$1,740,960	\$4,010,737	\$5,488,376	\$6,754,925	\$7,478,491
revenue - MP service contracts	\$0	\$6,597	\$158,328	\$474,984	\$1,204,480	\$2,202,738	\$3,431,364	
RFID Tickets sold	-	360,000	1,440,000	4,320,000	11,160,000	20,520,000	32,040,000	
profit - ticket sales	\$0	\$18,000	\$72,000	\$216,000	\$558,000	\$1,026,000	\$1,602,000	\$3,492,000
Software sold	-		-	8	19	26	32	
revenue - software sales	\$0	\$0	\$0	\$240,000	\$570,000	\$780,000	\$960,000	\$2,550,000
revenue - software maintenance		\$0	\$0	\$24,000	\$81,000	\$159,000	\$255,000	\$519,000
revenue - total	\$0	\$156,537	\$1,813,608	\$4,097,544	\$9,627,443	\$13,991,319	\$18,279,616	\$47,966,067
MP unit cost		\$59,400	\$712,800	\$1,425,600	\$3,284,226	\$4,494,204	\$5,531,328	
Operating expenses	94,250	199,950	857,083	2,080,691	2,156,911	2,236,263	2,313,934	
Profit (loss) before taxes	(\$94,250)	(\$102,813)	\$243,725	\$591,253	\$4,186,306	\$7,260,852	\$10,434,355	\$22,519,427
Taxes	\$0	\$0	(\$9,518)	(\$118,251)	(\$837,261)	(\$1,452,170)	(\$2,086,871)	20%
Profit (loss) after taxes	(\$94,250)	(\$102,813)	\$234,207	\$473,002	\$3,349,044	\$5,808,681	\$8,347,484	\$18,212,419
loss carry forward	(\$94,250)	(\$197,063)	\$0					

Parameters - average

MP units per area	36
MP service contracts	10%
Lift tickets per area	360,000
Lift ticket profit	0.05
Software price	30,000
software maintenance	10%

Ski areas owned by major customers

NY State	Boyne	Vail	Triple Peaks	Peak	Intrawest	Powdr
Gore		Vail	Mont		Whistler -	
Mountain	Big Sky	Mountain	Sunapee	Mount Snow	Blackcomb	Killington
	Loon					
Whiteface	Mountain	Breckenridge	Okemo	Brandywine	Steamboat	Park City
		Beaver	Crested			
Bellevue	Sugarloaf	Creek	Butte	Snow Creek	Copper Mountain	Pico
	Sunday River	Keystone		Hidden Valley	Stratton	Mt Bachelor
	Crystal					
	Mountain	Heavenly		Paoli Peaks	Mt Tremblont	Boreal
	Bighton	North Star		Mad River	Blue Mountain	Las Vegas Ski
				Crotched		
	Gatlinburg			Mountain	Panorama	Soda Springs
	The Summit			Jack Frost	Mountain Creek	Garganzo Park
	Boyne Highlands			Big Boulder	Sandestin	
	Boyne Mountain			Attitash	Snowshoe	
	Cypress Mountain			Boston Mills	Winter Park	